



PMC Cell – MM

## Oil and Natural Gas Corporation Ltd

Corporate Materials Management  
2<sup>nd</sup> Floor, Tower-A, Deendayal Urja Bhawan,  
5, Nelson Mandela Marg, Vasant Kunj, New Delhi -110 070  
Tel – (011)26752004 Fax – (011) 26129091

**Circular No. 04/2022**

No: DLI/CORP-MM/2021/PMC/GFR

Dated: 19.01.2022

**Sub: Clarification regarding Eligibility of Bidders from a Country sharing a land border with India**

Reference is invited to PMC circular no. 38/2021 dated 11.10.2021, vide which clarification received from Department of Expenditure (DoE) vide letter No. F.7/30/2021-PPD dated 01.10.2021 were issued, regarding the applicability of Public Procurement Order No. 1 issued vide F. No. 6/18/2019-PPD dated 23.07.2020, on various scenarios for hiring of services of equipment such as Drilling Rigs/offshore supply vessels etc. The copy of letter is enclosed herewith for ready reference.

For more clarity, a clarification was again sought from DoE, whether bidder submitting its offer for providing services based on Rig to be purchased from the manufacturer from a country sharing land border with India, falls within the definition of the term "bidder from a country sharing land borders with India" or not.

In this regard, vide letter No. F.7/30/2021-PPD dated 07.12.2021, Department of Expenditure (DoE) has informed that the clarification provided, vide letter no. F.7/30/2021-PPD dated 01.10.2021, is also applicable even in case bidder proposes to procure the goods to offer requisite services to ONGC. The copy of aforesaid letter is enclosed herewith for ready reference.

*A.P. Tripathi*  
19/01/2022

(A.P. Tripathi)  
ED-Chief MM Services

Distribution: (Through ONGC's intranet website 'reports.ongc.co.in').

**All concerned may download the circular from the site. Hard copies are not distributed separately.**

No.F.7/30/2021-PPD  
Government of India  
Ministry of Finance  
Department of Expenditure  
Procurement Policy Division

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264-C, North Block, New Delhi.  
7<sup>th</sup> December, 2021.

To

Shri Subhash Kumar,  
Chairman & Managing Director,  
Oil & Natural Gas Corporation Ltd.,  
5, Nelson Mandela Marg,  
Vasant Kunj, New Delhi-110070.  
Tel: 26129001, 26129011, (Fax): 26129021/41  
email: cmd@ongc.co.in

**Subject: Clarification regarding Restriction under Rule 144(xi) of the General Financial Rules (GFRs).**

Sir,

The undersigned is directed to refer to ED-CIS&D/ Oil and Natural Gas Corporation Ltd. (ONGC) letter No. MAT/PMC/DPIIT/2021 dated 30.11.2021 (copy enclosed) forwarded vide email dated 30.11.2021 seeking clarifications on applicability of Department of Expenditure (DoE) Public Procurement Order No. 1 issued vide F. No. 6/18/2019-PPD dated 23.07.2020. Reference has been also drawn to this office earlier letter No. F.7/30/2021-PPD dated 01.10.2021 (copy enclosed).

2. In this regard, it is to inform that the clarification provided by this Department, vide letter No. F.7/30/2021-PPD dated 01.10.2021, is also applicable even in case bidder proposes to procure these goods to offer requisite services to ONGC.
3. ONGC is also requested that in future such references may be made to Financial Advisor of your administrative Ministry/ Department.
4. This issue with the approval of Advisor(PPD).

Yours faithfully,

  
(Kanwalpreet)  
Director(PPD)

Tel.No. 2309 3811  
email: kanwal.irss@gov.in

**No.F.7/30/2021-PPD**  
**Government of India**  
**Ministry of Finance**  
**Department of Expenditure**  
**Procurement Policy Division**

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264-C, North Block, New Delhi.  
1<sup>st</sup> October, 2021.

Shri A P Tripathi,  
ED-Chief MM Services,  
Oil and Natural Gas Corporation Ltd.(ONGC)  
2<sup>nd</sup> Floor, Tower – A, Deendayal Urja Bhawan,  
5, Nelson Mandela Marg,  
Vasant Kunj, New Delhi-110070

**Subject: Clarification regarding Restriction under Rule 144(xi) of the General Financial Rules (GFRs).**

Sir,

The undersigned is directed to refer to Ministry of Commerce and Industry (MoCI) OM F.No. 45021/171/2020-BE-II (E-45442) dated 31.08.2021 forwarding a communication from Oil and Natural Gas Corporation Ltd. (ONGC) No. MAT/PMC/13 (7) /2021 dated 04.08.2021 seeking clarifications on applicability of Department of Expenditure (DoE) Public Procurement Order No. 1 issued vide F.No. 6/18/2019-PPD dated 23.07.2020, on hiring of service of equipments such as Drilling Rigs/ offshore supply vessels etc.

2. ONGC has sought clarification on three possible conditions, which are tabulated below alongwith clarification of DoE:-

SN	Query	DoE clarification
<b>Hiring of Services:</b> Bidder (Indian/ Foreign), who is not from a country sharing land border with India, offers services to ONGC by arranging equipment (such as Drilling Rigs, Offshore Supply vessels etc.) from another company.		
In case, Bidder offers Rig/ Vessel for Charter hire by ONGC in any of the following manner:		
(i)	The Rig/Vessel has been purchased or will be purchased from company (manufacturer) from country which shares a land border with India	In this case, bidder has procured certain goods to offer the requisite services to ONGC. In such a case the bidder does not fall within the definition of term "bidder from a country sharing land borders with India" (as defined in Para 8 of DoE Public Procurement Order No. 1 issued vide F. No. 6/18/2019-PPD dated 23.07.2020). Hence, the provisions of Rule 144 (xi) of General Financial Rules, 2017 and orders

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		issued thereof do not apply to this case.
(ii)	By entering into a MoU/ lease agreement with the company (who owns Rig/ Vessel) from country which shares a land border with India.	The vendor bidding to offer only services of Rig/ Vessel proposes to hire the Rig/ Vessel from a company from a country sharing land border with India. This, prima facie, appears to be the case of indirect supply of services by a company (owning the Rig/ Vessel) by introducing an intermediary, who merely acts as an agent to the company providing services of the equipment. In such a case registration of company owning the equipment and actually supplying the services to ONGC shall require to be registered with the competent authority, in compliance with the provisions of DoE's OM dated 23.07.2020.
(iii)	By entering into a MoU/ lease agreement with the company (say 'X' who is present owner of the equipment) from country which does not share a land border with India. The equipment has been purchased from the manufacturer of the company (say 'Y') which is from country that shares a land border with India.	In this case, as in case (ii) above, the actual supplier of services, prima facie, shall be 'X'. Status of 'X' in this case does not attract the provisions of the DoE's OM dated 23.07.2020.

3. This issue with the approval of Finance Secretary.

by  
01/10/21  
(Kanwalpreet)

Director(PPD)

Tel.No. 2309 3811

Email: [kanwal.irss@gov.in](mailto:kanwal.irss@gov.in)

Copy to: Shri Rajesh Gupta, Director, Ministry of Commerce and Industry (MoCI),  
Udyog Bhawan, New Delhi. Email: [rajesh.gupta66@gov.in](mailto:rajesh.gupta66@gov.in)